



## **Protect Main Street: Keep Proposition 13 Whole**

By George Runner

Give Gov. Jerry Brown credit. He's smart enough to recognize that imposing massive property tax hikes on California's struggling job creators will hurt, not help, our state's economy. And he's willing to take heat from members of his own party for his stand.

Last month, Los Angeles Mayor Antonio Villaraigosa gave a speech to the Sacramento Press Club urging "progressives" to "start thinking and acting big again" in order to "invest...in our economy." He challenged Brown to have "the courage" to "strengthen" Proposition 13, an important taxpayer protection measure approved by voters in 1978.

Lest anyone be confused, let me translate: Mayor Villaraigosa has no intention of "strengthening" the property tax protections in Proposition 13. Instead he wants to strip away those protections for business owners, including Main Street mom-and-pop businesses like hair salons, hardware stores and restaurants.

According to the Howard Jarvis Taxpayers Association, an organization that exists to defend Proposition 13, prior to that measure there were no limits on property tax rates and assessments. Taxpayers' properties could be reassessed 50 percent to 100 percent in a single year and see their bills jump accordingly. As a result many taxpayers lost their homes and businesses.

At a time when taxpayers are once again losing homes and businesses, there's no sense in making the problem worse. The businesses we see when we drive down the street are survivors of the Great Recession, but that's no guarantee they will be able to continue to keep their doors open and workers employed.

Yet Villaraigosa and others want to target these survivors. Apparently for "progressives" the definition of "progress" is to make California first in taxes and unemployment.

According to the Tax Foundation, Californians bear the sixth highest overall tax burden in the nation. Our state's income taxes, sales taxes and fuel taxes rank at or near the top. Even property taxes aren't particularly low -- California ranks 14th -- but without Proposition 13, they would be much, much higher.

Taking even more money from private taxpayers to "invest" in more government bureaucracy doesn't grow our economy. Instead, it would shrink it. The taxpayer would have less money to spend, invest, and hire workers. And our state would end up with even higher unemployment.

The vast majority of jobs and investment in our state come from the private sector, not from government. In fact, public sector jobs and investments only exist because the private sector pays for them.

Like it or not, California is in a global competition for jobs. Many California businesses can no longer afford to expand. The cost of doing business in our state is already too high compared to other states. As a result, many taxpayers are leaving for greater economic freedom elsewhere. According to a recent study, California is experiencing a net loss in new business startups, falling from first in the nation to a dismal rank of 50th last year.

If our state's leaders want more revenue for public sector investments, they need to attract more private sector investment. There are no shortcuts. Only a healthy, vibrant economy that creates jobs for Californians will produce tax revenue in abundance.

A good place to start would be for the governor and the Legislature to launch a comprehensive review of the costly regulations burdening private sector businesses. Commonsense reforms could free up millions of public and private sector dollars. A similar effort at the federal level recently found savings of \$14 billion.

Big thinking is good, but bad thinking is not. If we truly want progress, we need to start viewing private sector taxpayers as a partner, not a piggybank. And if we truly care about Main Street, we'll keep Proposition 13 whole.

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